

NOVEMBER 5, 1990

THE DIRECTOR OF THE DIVISION OF STATE LANDS & FORESTRY TOOK FORMAL ACTION ON NOVEMBER 5, 1990, AT 9:30 A.M. IN THE DIVISION OF STATE LANDS & FORESTRY OFFICE, 355 WEST NORTH TEMPLE, 3 TRIAD CENTER, SUITE 400, SALT LAKE CITY, UTAH 84180-1204, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

MINERAL LEASE APPLICATIONS

OIL, GAS & HYDROCARBON MINERAL LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Oil, Gas and Hydrocarbon lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

<u>Min. Lease Appl. No. 45096</u> Mark S. Dolar 9035 South 700 East Suite 100A Sandy UT 84070	<u>T40S, R3W, SLB&M</u> Sec. 2: A11	Kane 648.36 acres
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<u>Min. Lease Appl. No. 45097</u> Mark S. Dolar 9035 South 700 East Suite 100A Sandy UT 84070	<u>T39S, R3W, SLB&M</u> Sec. 16: A11	Kane 640.00 acres
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<u>Min. Lease Appl. No. 45098</u> Mark S. Dolar 9035 South 700 East Suite 100A Sandy UT 84070	<u>T39S, R3W, SLB&M</u> Sec. 32: A11	Kane 640.00 acres
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<u>Min. Lease Appl. No. 45099</u> Antler Resources Inc. 7107 South 400 West #10 Midvale UT 84047	<u>T5S, R9W, SLB&M</u> Sec. 36: A11	Tooele 640.00 acres
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<u>Min. Lease Appl. No. 45100</u> Antler Resources Inc. 7107 South 400 West #10 Midvale UT 84047	<u>T5S, R8W, SLB&M</u> Sec. 32: A11	Tooele 640.00 acres
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METALLIFEROUS MINERALS LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Mansfield, the Director approved the Metalliferous Minerals lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available. The reassessment date for these leases is December 1, 2000.

Min. Lease Appl. No. 45095
S. Bryce Montgomery
3512 South 100 East
Bountiful, UT
84010

T2S, R7W, SLB&M
Sec. 2: Lots 1, 2, 3, 4,
5, 6, 7, 8, 9,
S $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$

Tooele
571.60 acres

Min. Lease Appl. No. 45101
Centurion Mines Corporation
285 West North Temple
Suite 350
Salt Lake City, UT
84103

T19S, R16W, SLB&M
Sec. 32: A11
Sec. 36: A11

Millard
1280.00 acres

Min. Lease Appl. No. 45102
Gary L. Hutchinson
1675 Broadway,
Suite 2460
Denver, CO
80202

T30S, R2W, SLB&M
Sec. 32: A11

Piute
635.14 acres

REFUND: \$4.00

Min. Lease Appl. No. 45104
Gary L. Hutchinson
1675 Broadway,
Suite 2460
Denver, CO
80202

T30S, R2 $\frac{1}{2}$ W, SLB&M
Sec. 36: A11

Piute
640.00 acres

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METALLIFEROUS MINERALS LEASE APPLICATION--PARTIALLY APPROVED
AND PARTIALLY REJECTED

Upon recommendation of Mr. Mansfield, the Director partially approved the Metalliferous Minerals lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The application has been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available have been approved. The Director rejected the lands as listed below and ordered the refund of the advance rental on the rejected portion.

<u>Min. Lease Appl. No. 45103</u>	<u>T31S, R2W, SLB&M</u>	Garfield
Gary L. Hutchinson	Sec. 2: All	1244.91 acres
1675 Broadway,	Sec. 16: Lots 1, 2, 3, 4	
Suite 2460	5, 6, W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$,	
Denver, CO	NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$	
80202		

REJECTED PROTION:	<u>T31S, R2W, SLB&M</u>	Garfield
	Sec. 16: NE $\frac{1}{4}$ NE $\frac{1}{4}$	35.09 acres

REFUND: \$35.00

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INTEREST ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Mr. Bonner, the Director approved the assignment of 25% of 30% or 7.5% interest in and to the Oil, Gas, and Hydrocarbon leases listed below to Santa Fe Energy Operating Partners, L.P., 500 West Illinois, Suite 500, Midland, TX 79701, by Pan Canadian Petroleum Company. No override.

LEASE OWNERSHIP: CONOCO INC.--70%,
LARRY J. WHITE--15%,
PAN CANADIAN PETROLEUM COMPANY--7.5%, AND
COASTAL OIL & GAS CORPORATION--7.5%

....ML 39386....ML 42281....ML 42286....

REQUEST FOR APPROVAL OF THE MANILA UNIT

Exxon Corporation, operator of the Manila Unit, has submitted this unit for approval by the State of Utah. The Manila Unit is located approximately eight miles west of Manila and straddles the state line between Utah and Wyoming. This unit contains 23,120.40 acres of which 15,642.40 acres or 67.66 percent are Federal lands, 2,278.06 acres or 9.85 percent are State of Utah lands, 1,273.41 acres or 5.51 percent are State of Wyoming lands, and 3,926.44 acres or 16.98 percent are Patented lands. The unit agreement provides that the operator will, within six months after the effective date of the unit, commence the drilling of a well of a depth sufficient to test the upper 100 feet of the Muddy Formation, but not to exceed 18,500 feet. This agreement is on the standard unit agreement form and contains all of the necessary State land provisions.

The following are the State of Utah leases in this unit:

ML 40051	Mesa Operating Limited Partnership
ML 43663	William Moore Brelsford
ML 44476	Q2 Nominee Partnership

It is not known at this time whether or not these leases will be committed to the unit.

Upon recommendation of Mr. Bonner, the Director approved the Manila Unit.

TERMINATION OF THE PANGUITCH UNIT

Northwest Exploration Company, operator of the Panguitch Unit, has furnished this office with evidence that this unit was terminated by the Minerals Management Service on February 10, 1982.

The records of the following lease should be noted to show the termination of this unit:

ML 38570	Milestone Petroleum Inc.
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The terms of this lease are not affected by the termination of this unit.

Upon recommendation of Mr. Bonner, the Director noted the termination of the above captioned unit by the Minerals Management Service.

REPLACEMENT OF OIL AND GAS DRILLING BOND

On September 2, 1980, the Director accepted a State of Utah Statewide Bond of Lessee from Southland Royalty Company in the amount of \$25,000 to cover their oil and gas exploration and development operations on State lands. The surety is United States Fidelity and Guaranty Company, Bond No. 18-0130-10470-80.

Meridian Oil Inc. has requested release of Bond No. 18-0130-10470-80 as they have submitted for approval a replacement bond, Bond No. 5630535 in the amount of \$25,000 with Safeco Insurance Company of America as surety to cover their oil and gas exploration and development operations on State lands.

Upon recommendation of Mr. Bonner, the Director approved the release of Bond No. 18-0130-10470-80 and accepted Bond No. 5630535 as replacement.

RELINQUISHMENT OF OIL, GAS, AND HYDROCARBON LEASES

Robert L. Bayless, lessee of the Oil, Gas, and Hydrocarbon leases listed below, has requested relinquishment of these leases. These leases should be terminated and the acreage offered for lease through the Division's Simultaneous Filing process.

<u>Lease No.</u>	<u>Description</u>	<u>County/Acres</u>
ML 42541	<u>T17S, R11E, SLB&M.</u> Sec. 16: A11	Emery 640.00 acres
ML 42542	<u>T17S, R14E, SLB&M.</u> Sec. 16: A11	Emery 640.00 acres
ML 42556	<u>T25S, R6E, SLB&M.</u> Sec. 36: A11	Emery 640.00 acres

Upon recommendation of Mr. Bonner, the Director approved the relinquishment of the above captioned leases.

RELINQUISHMENT OF GILSONITE LEASES

American Gilsonite Company, lessee of the Gilsonite leases listed below, has requested relinquishment of these leases. These leases should be terminated and the acreage offered for lease through the Division's Simultaneous Filing process.

<u>Lease No.</u>	<u>Description</u>	<u>County/Acres</u>
ML 41806	<u>T9S, R24E, SLB&M.</u> Sec. 29: NW $\frac{1}{4}$ NE $\frac{1}{4}$	Uintah 40.00 acres
ML 41807	<u>T11S, R23E, SLB&M.</u> Sec. 2: Lot 1	Uintah 18.11 acres

Upon recommendation of Mr. Bonner, the Director approved the relinquishment of the above captioned Gilsonite leases.

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PARTIAL RELINQUISHMENT OF GILSONITE LEASE ML 43108

American Gilsonite Company, lessee of State of Utah Gilsonite Lease ML 43108, has requested a partial relinquishment of this lease. This lease should be amended to delete the relinquished acreage and the relinquished acreage then offered for lease through the Division's Simultaneous Filing process.

ML 43108	Relinquished lands: T9S, R23E, SLB&M. Sec. 2: S $\frac{1}{2}$ SW $\frac{1}{4}$	Uintah 80.00 acres
	Retained lands: T9S, R23E, SLB&M. Sec. 2: N $\frac{1}{2}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$	Uintah 160.00 acres

Upon recommendation of Mr. Bonner, the Director approved the partial relinquishment of Gilsonite Lease ML 43108.

EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASES

The Oil, Gas, and Hydrocarbon leases listed below have reached the end of their terms and expired on the dates listed. These leases should be terminated and the acreage offered for lease through the Division's Simultaneous Filing process.

<u>Lease No.</u>	<u>Lessee</u>	<u>Description</u>	<u>County/Acres</u> <u>Expiration Date</u>
ML 38537	Richard L. Peterson	T6S, R22E, SLB&M. Sec. 9: NW $\frac{1}{4}$ NW $\frac{1}{4}$	Uintah 40.00 acres Oct. 31, 1990
ML 38555	Raymond T. Duncan, et al	T37S, R25E, SLB&M. Sec. 36: A11	San Juan 640.00 acres Oct. 31, 1990
ML 38564	James Harden III	T1S, R5W, USB&M. Sec. 10: W $\frac{1}{2}$ W $\frac{1}{2}$	Duchesne 160.00 acres Oct. 31, 1990
ML 38567	Cabot Petroleum Corp.	T33S, R5W, SLB&M. Sec. 16: SW $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$	Garfield 320.00 acres Oct. 31, 1990
ML 38570	Milestone Petroleum Inc.	T34S, R6W, SLB&M. Sec. 36: W $\frac{1}{2}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$	Garfield 560.00 acres Oct. 31, 1990

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EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASES (cont.)

<u>Lease No.</u>	<u>Lessee</u>	<u>Description</u>	<u>County/Acres</u> <u>Expiration Date</u>
ML 38573	Cabot Petroleum Corp.	<u>T33S, R5W, SLB&M.</u> Sec's. 28, 29, 32, & 33 as follows: Beg at the S quarter sec. cor of Sec. 29, and running th N 20.0 chs; th E 42.29 chs; th S 12°14' W 18.59 chs; th W 6.89 chs; th S 1.85 chs; th W 38.02 chs to the pob. ALSO, Beg 20 chs E of the center of Sec 32, and running th N 7.00 chs; th E 17.50 chs; th S 12°14' W 27.62 chs; th W 11.87 chs; th N 20.00 chs to the pob. ALSO, Beg at a point 5.00 chs E of the NE cor of Sec. 32, and running th N 12°14' E 1.87 chs; th W 6.89 chs; th S 1.85 chs; th W 38.02 chs; th S 20.00 chs; th E 20.00 chs; th S 13.00 chs; th E 17.50 chs; th N 12°14' E 34.00 chs to the pob. ALSO, Beg 20.00 chs E and 6.25 chs S of the NW cor of Sec. 33, and running th S 5.75 chs; th S 51° W 12.80 chs; th W 8.00 chs; th N 12°14' E 14.14 chs; th E 14.62 chs to pob.	Garfield 284.52 acres Oct. 31, 1990

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EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASES (cont.)

<u>Lease No.</u>	<u>Lessee</u>	<u>Description</u>	<u>County/Acres</u> <u>Expiration Date</u>
ML 38573 (Cont.)		<u>T33S, R5W, SLB&M.</u> Sec's. 28, 29, 32, & 33 (Cont.) ALSO, Beg at a point 6.39 chs E of the NW cor of Sec. 33, and running th E 13.61 chs; th S 6.25 chs; th W 14.62 chs; th N 12°14' E 6.42 chs to the pob. ALSO, beg at a point 20.00 chs E and 12.00 chs S of the NW cor of Sec 33, and running th N 12.00 chs; th E 20.00 chs; th S 6.00 chs; th W 12.50 chs; th S 51° W 9.00 chs to pob.	
ML 38576	Amoco Production Co.	<u>T34S, R11W, SLB&M.</u> Sec. 30: SE¼SW¼, SW¼SE¼ Sec. 31: NE¼NW¼, NW¼NE¼	Iron 160.00 acres Oct. 31, 1990
ML 38577	Hewit Family Partnership	<u>T39S, R6W, SLB&M.</u> Sec. 36: All	Kane 640.00 acres Oct. 31, 1990
SLA 399	Mobil Oil Corp.	<u>T5S, R5E, SLB&M.</u> Sec. 6: Lot 11	Wasatch 56.32 acres Oct. 31, 1990

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EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASES (cont.)

<u>Lease No.</u>	<u>Lessee</u>	<u>Description</u>	<u>County/Acres</u> <u>Expiration Date</u>
SLA 400	Mobil Oil Corp.	T4S, R5E, SLB&M. Sec. 35: NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, Also, all land lying NE of Daniels Creek in the SE $\frac{1}{4}$ NW $\frac{1}{4}$, and NW $\frac{1}{4}$ NW $\frac{1}{4}$, excepting therefrom the following: Beg at the SE cor of the SE $\frac{1}{4}$ NW $\frac{1}{4}$; th W 130 ft; th N 37°13' W 541 ft; th E 150 ft; th S 37°13' E 541 ft; th W 30 ft to the pob. ALSO excepting the following: Beg at a point 312 ft W of the SE cor of the SE $\frac{1}{4}$ NW $\frac{1}{4}$; th N 37°13' W 860 ft (along the State Road right- of-way); th S 63°30' W 12 ft to the center of Daniels Creek; th in a SE'ly direction up the center of Daniels Creek to a point 79 ft W of the pob; th E 79 ft to the pob.	Wasatch 207.78 acres Oct. 31, 1990

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EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASES (cont.)

<u>Lease No.</u>	<u>Lessee</u>	<u>Description</u>	<u>County/Acres</u> <u>Expiration Date</u>
SLA 423	Amoco Production Co.	<u>T20S, R2E, SLB&M.</u> Sec. 3: Lots 2, 3, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 4: Beg at the NW $\frac{1}{4}$ cor of Sec. th E 16.40 chs; th S 37°15' E 7.15 chs; th S 83°15' E 3.77 chs; th N 2°15' E 6.15 chs; th E 14.80 chs; th S 39.80 chs; th W 40.05 chs; th N 39.80 chs to pob. Sec. 5: E $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 9: NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ Sec. 16: All Sec. 21: NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ <u>T19S, R2E, SLB&M.</u> Sec. 33: Beg at the SE cor of the SE $\frac{1}{4}$ of Sec. and running th W 20.00 chs; th N 28°45' E 11.82 chs; th N 6°30' E 9.93 chs; th E 13.33 chs; th S 20.00 chs, less 0.86 of an acre in county road. Sec. 34: SW $\frac{1}{4}$ SW $\frac{1}{4}$, less 3.43 acres in county road	Sanpete/Sevier 2001.54 acres Oct. 31, 1990
SLA 424	Amoco Production Co.	<u>T20S, R2E, SLB&M.</u> Sec. 10: S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ Sec. 15: E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, S $\frac{1}{2}$ Sec. 22: W $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ Sec. 23: S $\frac{1}{2}$	Sanpete 1680.00 acres Oct. 31, 1990

Upon recommendation of Mr. Bonner, the Director approved the expiration of the above captioned leases.

EXPIRATION OF LIMESTONE LEASE

The Limestone lease listed below has reached the end of its term and expired on the date listed. This lease should be terminated and the acreage offered for lease through the Division's Simultaneous Filing process.

<u>Lease No.</u>	<u>Lessee</u>	<u>Description</u>	<u>County/Acres</u> <u>Expiration Date</u>
ML 36236	Bernetha Bland	T9S, R5W, SLB&M. Sec. 2: Lots 1, 2, S½NE¼	Tooele 162.28 acres Oct. 31, 1990

Upon recommendation of Mr. Bonner, the Director approved the expiration of ML 36236.

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SURFACE BUSINESS MATTERS

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RIGHT OF ENTRY

RIGHT OF ENTRY NO 3523

On November 5, 1990, Mr. Richard Buehler, Northern Regional Manager, pursuant to R632-40-2 and in accordance with direction and delegation of authority, approved the request of Northwest Pipeline Corporation, c/o William F. Boel, P.O. Box 58900, Salt Lake City, Utah 84158, to begin construction of a buried natural gas pipeline, which pipeline is more fully described under Easement Application No. 63. The portion of the pipeline project on trust lands is located within the following described State Lands:

Township 12 South, Range 25 East, SLB&M	Uintah County
Section 2: E2SE4, NW4SE4, NE4SW4, S2NE4, E2NE4	
Section 36: S2SW4	

A cultural resource survey has been completed on the affected areas. BLM has given approval on their neighboring lands and they have recommended approval on the portion of the pipeline on State Lands.

The fee for this non-exclusive right of entry is \$150.00, plus a \$50.00 application fee, totaling \$200.00. These fees will be credited to the school fund. Expiration date will be January 31, 1991, or upon approval and issuance of Easement No. 63, whichever date is earlier. Issuance of right of entry in no way obligates the Division of State Lands and Forestry to approve Easement No. 63. If such applications are not approved, Northwest Pipeline Corp. will be liable for removing any improvements constructed and the rehabilitation of affected lands.

In accordance with direction and delegation from the Director, Mr. Buehler approved Right of Entry 3523 with the expiration date and conditions as stated above.

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GRAZING PERMITS

GRAZING PERMIT APPLICATION

GP 22794
UTE INDIAN TRIBE
PO BOX 190
FT DUCHESNE UT 84026

5172.29 Acres \$ per annum \$20.00 application fee for 10 years.

County(s) Uintah

05/01/90 Beginning Date

T 11 S, R 19 E, SLB&M
SEC. 2: A11
SEC. 16: A11
SEC. 32: A11

T 10 S, R 18 E, SLB&M
SEC. 36: Lots 1-8, NW4, W2NE4, N2SW4

T 10 S, R 19 E, SLB&M
SEC. 32: A11
SEC. 36: NE4, W2

T 11 S, R 20 E, SLB&M
SEC. 36: A11

T 11 S, R 21 E, SLB&M
SEC. 32: W2

T 13 S, R 20 E, SLB&M
SEC. 16: SW4, W2NW4, S2SE4

T 14 S, R 20 E, SLB&M
SEC. 2: Lots 3, 4, SW4, S2NW4

Upon recommendation of Mr. Buehler, the Director approved GP 22794.

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RIGHT OF ENTRY

RIGHT OF ENTRY NO 3522 (REFUND OF BOND MONEY)

Bonneville Offroad Racing Ent., Jim Baker, 4224 Riverdale Road, Riverdale, Utah 84405, posted a \$200.00 Bond. This was in addition to the \$50.00 application fee and the \$100.00 Right of Entry fee and was collected to insure that State Lands involved would be left clean following the October 6, 1990 race. Following the race, the property was inspected and found to be free from debris.

Upon recommendation of Mr. Tripp, the Director approved a refund of the \$200.00 bond for ROE 3522.

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TIMBER SALE

TIMBER SALE APPLICATION NO. TA 662

Great Salt Lake Council, Boy Scouts of America, 525 Foothill Blvd., Salt Lake City, Utah 84113-1199, has submitted an application to cut 162 cords of fuelwood. The stumpage price has been set at \$5.00/cord. The Boy Scouts of America have made a payment of \$810.00 for stumpage. Termination date for the sale is October 31, 1995.

Township 1 North, Range 10 East, SLB&M
Section 1: All

Summit County

Upon recommendation of Mr. Jablonski, the Director approved TA 662 with a termination date of October 31, 1995.

TIMBER SALE APPLICATION NO. TA 663

Mike Young, P.O. Box 754, Fruitland, Utah 84027, has submitted an application to cut 40,000 board feet sawtimber of White Woods from the land described below. The stumpage price has been set at \$37.50/1000 board feet. Mr. Welch has made a payment of \$1,500.00 for stumpage plus a \$25.00 application fee. Termination date for the sale is October 31, 1991.

Township 1 South, Range 9 West, SLB&M
Section 36: NW4

Wasatch County

Upon recommendation of Mr. Jablonski, the Director approved TA 663 with a termination date of October 31, 1991.

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RANGE IMPROVEMENT PROJECT

GP 20902

Dennis Carns, PO Box 69, Glade Park, Colorado 84523 has requested the Division's permission to construct a stock watering pond. The pond will be supplied by rain and snow runoff. The following State lands will be involved:

T23S, R25E, SLB&M
Sec. 16: NE4NE4

The permittee will be responsible for all costs and maintenance associated with this project. The Record of Decision proceeded without contest.

Upon recommendation of Mr. Wall, the Director approved the range improvement project for GP 20902.

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SPECIAL USE LEASES

SPECIAL USE LEASE AGREEMENT 175 (Ten Year Review)

BACKGROUND

This lease is in the name of Max B. Lewis, Esq., Attorney at Law, 141 East First South, Ste. 300, Salt Lake City, Utah 84111. The lease is for 218 acres of land in Sec. 32 of T36S, R11E near Bullfrog. The lease was issued in July of 1968 as a commercial lease with a ten year review. It was reviewed in 1977 with a recommendation to increase the rental from \$400/yr. to \$600/yr. This recommendation was apparently never formally acted upon because the rent has never changed and is currently \$400/yr.

ANNUAL RENTAL

Current annual rent is \$400/yr. based on recent land appraisals. In this area, land value is \$200/acre. Adjacent lessees are paying rentals based on this value. Therefore, based on R632-30-4.1, the rental will be increased from \$400 to \$4,360/yr. effective July 1, 1990. This fee is based on 218 acres @ \$200/acre x 10%. The lessee was notified of this and no comments were received. A supplemental bill should be sent to the above address for the balance owed which is \$4,360 - \$400 = \$3,960.

DUE DILIGENCE

There is no due diligence clause in the lease. There has been no development on the lease to this point.

PROPER USE

Not applicable.

ADEQUATE BOND COVERAGE

There is no bond coverage on this lease.

ESTABLISHMENT OF WATER RIGHTS

There are no water rights established on this lease.

POLLUTION AND SANITATION REGULATIONS

The lessee is in compliance with all valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction.

The next assessment date will be July 1, 1997.

Upon recommendation of Mr. Brown, the Director approved the ten year review of SULA 175 with an increase in annual rental as stated above. A supplemental bill for \$3,960 should be sent to the lessee at the above address.

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EASEMENTS

APPLICANT'S NAME & ADDRESS

APPLICATION NO.: ESMT 65

WESTERN ROCK PRODUCTS CORPORATION
820 NORTH 1080 EAST
ST. GEORGE, UT 84770

LEGAL DESCRIPTION

Township 43 South, Range 15 West, SLB&M
Section 20: Beginning at the NE corner of Section 20, thence N 89°44'43"
W 80 ft., thence S 0°15'49" E 50 ft., thence N 89°44'43" E 80 ft., thence
N 0°15'49" W 50 ft. to the point of beginning.

COUNTY: Washington

ACRES: .09

PROPOSED ACTION:

The applicant seeks the use of a road through a corner of State owned land. The road which is 4.85 rods in length and 50 feet wide, is in existence.

RELEVANT FACTUAL BACKGROUND:

The proposed easement is for access to a rock pit. The existing road allows consumers of gravel to cart away minerals from a Bureau of Land Management quarry. The applicant is requesting an easement to insure a legal path to and from a rock pit.

CRITERIA FOR EVALUATION:

The conditional exclusion of easements from the record of decision process does not apply if any of the following four conditions exist:

1. The proposed easement is located entirely on State land and is not located in an existing easement corridor.
2. The proposed easement is for longer than 30 years.
3. The applicant is not willing to pay the fee as determined by the Division.
4. The proposed easement will have an unreasonably adverse affect on the developability or marketability of the subject property.

EVALUATION OF FACTS:

The standard fee for a road is \$10.00 per rod times the number of rods in the length of the road. Analysis indicates that at a current value of \$3,500 per acre, a formula using the total square feet of the easement and the value of the parcel is used to determine the fee.

ESMT 65 - (cont.)

The proposed easement is located entirely on State land, is for a term of thirty (30) years, and the applicant has submitted the correct fees. This office believes there will be no unreasonably adverse affect on the developability or the marketability of the subject parcel. Therefore, this summary will constitute the Record of Decision.

STAFF RECOMMENDATION:

It is the recommendation of Mr. Gonzalez that the above described application for an easement be approved with the fee being \$321.40 plus a \$50.00 application fee, with a \$20.00 administrative fee being assessed every three years beginning January 1, 1993.

Upon recommendation of Mr. Gonzalez, the Director approved Easement 65.

SPECIAL USE LEASE

RELINQUISHMENT OF SULA 745

D. Larry Anderson, Director, Division of Water Resources, has requested relinquishment of the above SULA. The site has been restored and Water Resources has no further use for the cloud seeding generator site.

Upon recommendation of Mr. Gonzalez, the Director approved the relinquishment of SULA 745.

* * * * *

GRAZING PERMITS

GRAZING PERMIT 20521 (Deletion of Acreage and AUM's)

H. Dell LeFevre, Tropic, UT 84776. The following described land should be deleted from the above listed grazing permit.

<u>T36S, R4E, SLB&M</u>	Garfield County
Sec. 16: S2NE4, S2, SW4NW4	440 acres
	75 AUM's

This land is not State owned land and should therefore be deleted from this Grazing Permit and the total allowable AUM's adjusted. The new acreage total for this permit will be 6635.16 acres. There will now be 268 AUM's @ \$1.86/AUM plus \$.05/AUM weed fee equaling \$511.88. As this is a Division initiated action, no amendment fee is assessed.

Upon recommendation of Ms. Whittekiend, the Director approved the amendment of GP 20521.

* * * * *

SPECIAL USE LEASES

SPECIAL USE LEASE NO. 774 (Three Year Review)

SULA 774 is leased to Venice C. Denney, 347 South Mill Creek, Moab, UT 84532.

1. ANNUAL RENTAL

The three year review for this lease is January 31, 1991. The subject property is used for residential purposes. Based upon a recent appraisal prepared for the Division, it is recommended that the lease fee be increased from \$250.00 per year to \$1400 per year effective February 1, 1991. This represents fair market value of the property according to a recent appraisal of land in the area. A certified notice was sent to the lessee. No response was received. After meeting with the lessee and his attorney, a second certified letter was sent giving the lessee two additional weeks to make a written protest to this review. The second certified letter specifically informed them of this right and that it would trigger a Record of Decision process. No response was received.

2. DUE DILIGENCE

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

3. PROPER USE

The leased premises are being used in accordance with the lease agreement.

4. ADEQUATE BOND COVERAGE

A bond was not required.

5. ESTABLISHMENT OF WATER RIGHTS

No water rights have been established.

6. POLLUTION AND SANITATION REGULATIONS

The lessee is in compliance with the pollution, sanitation, and waste provisions of the lease.

7. NEXT THREE YEAR REVIEW DATE: February 1, 1994.

Upon recommendation of Mr. Fullmer, the Director approved the three year review of SULA 774 with an increase in annual rental as stated above.

SULA'S (cont.)

SPECIAL USE LEASE NO. 748 (Three Year Review)

SULA 748 is leased to Lloyd A. Scharf, 180 East 100 North, Moab, UT 84532.

1. ANNUAL RENTAL

The three year review for this lease is November 30, 1991. The subject property is used for residential purposes. Based upon a recent appraisal prepared for the Division, it is recommended that the lease fee be increased from \$250.00 per year to \$1400 per year effective December 1, 1990. This represents fair market value of the property according to a recent appraisal of land in the area. A certified notice was sent to the lessee. No response was received. After meeting with the lessee and his attorney, a second certified letter was sent giving the lessee two additional weeks to make a written protest to this review. The second certified letter specifically informed them of this right and that it would trigger a Record of Decision process. No response was received.

2. DUE DILIGENCE

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

3. PROPER USE

The leased premises are being used in accordance with the lease agreement.

4. ADEQUATE BOND COVERAGE

A bond was not required.

5. ESTABLISHMENT OF WATER RIGHTS

No water rights have been established.

6. POLLUTION AND SANITATION REGULATIONS

The lessee is in compliance with the pollution, sanitation, and waste provisions of the lease.

7. NEXT THREE YEAR REVIEW DATE: December 1, 1993.

Upon recommendation of Mr. Fullmer, the Director approved the three year review of SULA 748 with an increase in annual rental as stated above.

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NOVEMBER 5, 1990

EASEMENTS

APPLICANTS NAME & ADDRESS:

CHARLES E. HASSEN
P.O. BOX 1485
MOAB, UT 84532

APPLICATION NO.: ESMT 6

LEGAL DESCRIPTION:

Township 26 South, Range 22 East SLB&M
Section 17: (metes & bounds description for A, B, C listed below)

- A) Description of a 110 ft. wide ingress and egress easement;
55 ft. each side of the following described centerline:
Beginning at a point on the Southwesterly boundary line
of Government Small Tract, Lot 10, Sec. 17, T26S, R22E,
SLB&M, and point bears S 37°52' E 153.0 ft. from the
Northwest Corner, said Lot 10, and proceeding thence S
52°08' W 100.0 ft. to the terminal point of this centerline
description, said terminal point bears S 4°42' E 182.8 ft.
from said N.W. Corner, Lot 10.
- B) Description of a 110 ft. wide ingress and egress easement;
55 ft. each side of the following described centerline:
Beginning at a point on the Southwesterly boundary line
of Government Small Tract, Lot 11, Sec. 17, T26S, R22E,
SLB&M, said point bears S 37°52' E 207.0 ft. from the
Northwest Corner of said Lot 11, and proceeding thence S
52° 08' W 100.0 ft. to the terminal point of this
centerline description, said terminal point bears S 12°05'
E 229.9 ft. from said N.W. Corner, Lot 11.
- C) Description of a 110 ft. wide ingress and egress easement;
55 ft. each side of the following described centerline:
Beginning at a point on the Southwesterly boundary line
of Government Small Tract, Lot 12, Sec. 17, T26S, R22E,
SLB&M, said point bears S 37°52' E 109.0 ft. from the
Northwest Corner said Lot 12, and proceeding thence S
52°08' W 100.0 ft. to the terminal point of this centerline
description, said terminal point bears S 4°40' W 147.9 ft.
from said Northwest Corner, Lot 12.

COUNTY: Grand

ACRES: .76

ESMT 6 (cont.)

PROPOSED ACTION:

The applicant is requesting an easement for ingress and egress to and from an existing truck-stop business located approximately 3 miles southeast of Moab on Highway 191. Said application is for three separate parcels each being 100 feet (6.06 rods) in length and 110 feet wide, being 55 feet on either side of the centerline.

RELEVANT FACTUAL BACKGROUND:

The proposed easement is for access to and from an existing truck-stop, restaurant, and lounge business located approximately 3 miles southeast of Moab on Highway 191. The land involved is a portion of 1.9 acres which was accepted on Oct 22, 1986, by the BLM as a partial relinquishment from the Federal Highway Administration. This same relinquishment also states that the above mentioned lands are reserved in a conveyance to the State of Utah. This easement will legitimize the existing use. This easement was originally submitted on July 2, 1990, for Director's approval. Due to technical problems with recording the deed to the acquired land, said easement was not approved. Those technical problems have now been resolved and the land has been recorded. Staff recommends that the original stated fee amount stand in this case. The applicant submitted the fee payment on December 26, 1989.

CRITERIA FOR EVALUATION:

The conditional exclusion of easements from the record of decision process does not apply if any of the following four conditions exist:

1. The proposed easement is located entirely on State land and is not located in an existing easement corridor.
2. The proposed easement is for longer than 30 years.
3. The applicant is not willing to pay the fee as determined by the Division.
4. The proposed easement will have an unreasonably adverse affect on the developability or marketability of the subject property.

EVALUATION OF FACTS:

The standard fee for roads greater than 33 feet wide is \$15.00/rod. Preliminary modeling indicates that the property would have to be worth more than \$599.99 per acre in order to exceed the per rod rate. As the land value is more than \$599.99 per acre, 60 percent of the appraised value is the rate that will be used. The 60 percent appraised value is \$1,363.44 based upon .76 acres and appraised value of \$2,990.00 per acre. The applicant had initially paid \$1,507.20 in fee payment and will need to be refunded \$143.76.

The proposed easement is located entirely on State land, but it is located in an existing easement corridor; it is for a term of 30 years, and the applicant has already paid the indicated fees. As far as the staff has been able to determine, there will be no unreasonably adverse affect on the developability or the marketability of the subject property. Therefore, this summary will constitute the Record of Decision.

ESMT 6 (cont.)

STAFF RECOMMENDATIONS:

It is the recommendation of Mr. Baker that the above described application for an easement be approved with the fee being \$1,363.44, plus a \$50.00 application fee, with a \$20.00 administrative fee being assessed every three years beginning January 1, 1993. Due to the overpayment of the initial fee the sum of \$143.76 should be refunded to the applicant.

Upon recommendation of Mr. Fullmer, the Director approved Easement 6 and ordered a refund in the amount of \$143.76 due to overpayment of the initial fee be made to the applicant.

RIGHT OF ENTRY

RIGHT OF ENTRY NO. 3525

On October 26, 1990, Mr. Doug Fullmer, S.E. Area Land Specialist, pursuant to R632-40-2, and in accordance with direction and delegation of authority, approved the request of Frontier Exploration, 7388 S. Revere Parkway, Bldg. 902, Englewood, CO 80112, to conduct a seismic survey - shothole method, across the following described State lands:

T37S, R25E SLB&M San Juan Co.
Sec. 32: Runs diagonally, NE corner to SW corner

The fee for this seismic survey - shothole method, greater than 50', is \$50/hole @ 15 holes totals \$750.00, plus a \$50.00 application fee equals \$800.00; school fund. Expiration date: January 26, 1991.

In accordance with direction and delegation from Mr. Storey, Mr. Fullmer approved Right of Entry 3525 with an expiration date of January 26, 1991.

INTEREST RATE

CURRENT YEAR

YEAR AGO

Base Rate

10.00

10.50



RICHARD J. MITCHELL, DIRECTOR
DIVISION OF STATE LANDS/FORESTRY


LESLIE M. WARNER, RECORDS SUPERVISOR

ARCHIVES APPROVAL NO. 7900209

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